

YB Ventures to cement its presence regionally

Tile-maker eyes markets in South-East Asia

MANUFACTURING

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PETALING JAYA: While YB Ventures Bhd is on track to achieve a 15% to 20% growth in its top line this year, the reopening of international borders will be another revenue booster as it will enable the company to tap into regional markets.

Executive director Datuk Au Yee Boon said there have been overwhelming enquiries on its new product range of tiles.

“With the reopening of borders, we intend to go full force to market our products in Singapore, Thailand and Indonesia.

“Our target customers are house owners, interior designers and contractors who prefer quality and functional tiles.

“Our medium to long-term plan is to expand beyond the domestic shores and tap into neighbouring countries in South-East Asia for our tile manufacturing and information technology (IT) solution business,” he added.

Organically, Au is confident of achieving a 15% to 20% growth on the top line, with net margins of around 3% to 4%.

With the company’s sales expanding regionally, better earnings are expected in 2023.

As of now, he said YB Ventures has backlog orders of more than RM25mil which would

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keep it busy for the next few months.

At the moment, 90% of its tiles manufacturing is direct to consumers.

Apart from this, he said the company’s venture into the renewable energy (RE) sector would be commencing soon.

“Our immediate focus is to divert the earnings base to include strong recurring cashflow from this sector. Large scale solar projects come with a 21-year power purchase agreement. We have a technical partner who has vast experience in the engineering, procurement, construction and commissioning.

“As the listed company, we would be able to provide the financing.

“This is a good synergy collaboration. Upon completion of the project, we will be able to enjoy a recurring income for 21 years,” Au said.

On another note, he said the company is actively scouting for good merger and acquisition deals.

With its sturdy balance sheet, it has put the tile and IT company in a strong posi-

tion to negotiate, especially given its attractive valuation.

YB Ventures is open to industries that are not related to its core business, he added.

Au is optimistic on the of the tiles industry in tandem with the reopening of the country’s economy.

The company expects reduced competition from China due to the higher global shipping prices and production costs.

He believed that the worst is over and that the uptake in economic activity would continue to bolster the industry.

Additionally, the company would be installing a solar photovoltaic system at its factory building and warehouse in Kulai, Johor Baru.

This would help to reduce electricity consumption, and it is part of its environmental, social and governance practice.

The company’s share price was up 4.82% to 43 sen at the close of the trading with a market capitalisation of RM121mil last Friday.